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SUBJECT: ANTIGUA,S RULING PARTY FAVORED TO WIN ELECTION;
MUD SLINGING STARTS EARLY

Classified By: Charge d, Affaires, a.i. D. Brent Hardt, for reasons 1.4
(b) and (d).

SUMMARY

¶1. (C). Antiguan Prime Minister Baldwin Spencer dissolved parliament February 9 to launch what will be a hotly contested election season. Spencer did not announce an election date, but hinted he will do so soon, with an election date expected by the end of March. The ruling United Progressive Party (UPP) is forecast to win by many pundits, but the faltering economy and a large disaffected immigrant population could swing votes to the opposition Antigua Labour Party (ALP). Opposition ALP-instigated rumors of suspect campaign contributions and outright vote buying have so far not overcome dogged UPP allegations of ALP corruption during their many years in power. End summary.

Elections Call Soon, But Soon Enough For UPP?

¶2. (C) After dissolving parliament February 9, Antigua Prime Minister Baldwin Spencer is expected to announce an election date sometime in the first half of March. He is constitutionally obligated to call for elections no later than March 25, setting a date that is not later than 90 days after that. Most commentators and members of both political parties agree that he will call elections to be held by the end of March at the latest. Most people in his own party feel that if the PM had called for elections in October, 2008 as many in the Party had urged, the UPP would have won easily. While most voters realize that the downturn in the economy is not the fault of the government and will vote accordingly, economic conditions are making the elections closer than they would have been just four months ago, Finance Minister Errol Cort told PolOff in a recent meeting.

Opposition Given a Fighter,s Chance

¶3. (C) The consensus of the media and many in the business community is that the UPP will hold most of their 13 seats, perhaps losing one or two seats that were closely contested last time. (Note: the UPP holds 13 of the 17 seats in parliament versus 4 for the ALP. End note.) That said, the ALP has made gains in recent polls, and, if the economy worsens drastically between now and the election, it is possible the ALP could win as many as 10 seats in the next elections, according to social commentator Winston Derrick.

UPP President Leon Smester argued that the UPP will win all but 2 seats and one of those, the seat held by ALP MP Asot Michael will be vacated when he goes to prison on corruption charges. Minority leader Stedroy "Cutie" Benjamin, meanwhile, told Poloff that ALP polls show they will win the election by a comfortable margin.

The Party Base and Swing Vote Constituencies

¶4. (C) Both sides claim to be the party of the working class with strong ties to the growing middle class. However, most polls indicate that the UPP does best among the educated middle-class, while also maintaining a comfortable margin with the working class. The ALP's weakness with the educated middle class stems from allegations of corruption, which still dog the party's leadership, particularly former PM Bird, according to regional political commentator and pollster Peter Wickham. At the same time, backlash against the personal income-tax regime instituted under the UPP, which many in the middle-class feel disproportionately burdens them, makes that constituency anything but a sure bet for the UPP. Both sides agree that the immigrant population, which accounts for nearly 25 percent of the electorate, leans heavily in favor of the ALP and must prove decisive if the ALP hopes to win. (Note: The Antiguan constitution grants Commonwealth nationals the right to vote after three years of residency.)

Whither the Party Leaders?

¶5. (C) The real problem that the ALP faces is a leadership problem, Cort contended to us privately. The head of the party and presumptive PM is former PM Lester Bird, who no longer sits in parliament following a loss to Cort in the 2004 elections. The most recent poll conducted by the Antigua Sun showed Cort leading Bird 47 percent to 32 percent, leading few to believe that Bird can win his seat back. This creates a genuine problem for the ALP, who would have no presumptive PM should they win. Voters are not comfortable with the idea of Cutie Benjamin running the country, Cort added, and other candidates such as Gaston Browne continue to be dogged by corruption allegations. Gail Christian, the ALP candidate running against PM Spencer, said she expected one of the three women running for seats on the ALP ticket would most likely be put forward as presumptive PM if the ALP wins the election and Bird loses to Cort.

¶6. (C) Many people believe that Prime Minister Baldwin Spencer is a lock to win his seat, but independent polls show the race within 5 points at this point. The Prime Minister's decision to postpone elections and his penchant for overseas travel and the limelight is a negative that he is going to have to address when the campaign starts in earnest, Minister of Education Bernard Joseph told Poloff. Moreover, the much-publicized rift between the Government and the island's wealthiest family, the Hadeeds, led former UPP Minister of State Aziz Hadeed to clandestinely provide financial backing to Gail Christian. Hadeed told Poloff privately that while he is publicly on the sidelines, he is personally funding Christian's campaign against Spencer. The best thing that could happen to Antigua, he explained, is if both Bird and Spencer lose their seats in the upcoming election.

Campaign Finance

¶7. (C) Among the more pervasive rumors this election season is the much reported 15 Million USD "secret" contribution alleged to have been provided to the ALP by Texas billionaire and dual Antiguan citizen Allen Stanford. The Stanford Development Group has in excess of one billion USD in investments on the island according to a multitude of

well-placed sources. The ALP maintains this is mere rumor, adding that Stanford,s fear of the PM has caused him to remain neutral. In fact, they claimed, neither Stanford nor the Hadeeds have provided any financing to the ALP out of fear that the UPP will "go after them" if they should win the next election.

¶8. (C) Campaign paraphernalia abounds on the island, with tens of thousands of banners, flags, t-shirts and posters seen all over the country. The ALP claims that they have been solidly outspent by the UPP, which they say has three times as many posters and other paraphernalia up across the country. A prima facie survey conducted by PolOff seems to bear out this claim. The ALP also claims to be entirely self-funded, largely through liens against property owned by Asot Michael, an ALP MP under investigation for corruption charges involving the purchase of government property.

¶9. (C) The UPP claims similar poverty, but despite these claims, the nation is emblazoned with the blue and yellow colors of the party,s flags and banner. The UPP received three containers of campaign paraphernalia with tens of thousands of flags, buttons, t-shirts and posters in just the last month, the ALP contends. The campaign supplies were arranged for by the Chinese Ambassador, say ALP sources.

¶10. (C) Hadeed noted further that Venezuela is also a strong financial backer of the UPP and particularly PM Spencer, who has been an ally for Chavez within the region. Despite their claim to have the backing of the middle classes, Hadeed explained, the UPP does not have the financial backing of the large business interests on this island and their need for money has led them to accept money from foreign sources, notably Venezuela and China.

¶11. (C) Antigua has no campaign financing restriction or reporting requirements outside of the 21-day period between the time when the Governor General certifies the elections and the polls open, Electoral Commission Chairman Watt explained. Watt lamented the amount of money being spent on this election, terming it "obscene". "Everyone knows", he said, that little brown envelopes with cash are being

distributed to households in districts with close races, but there is no electoral body with the authority to provide oversight for these kinds of "shenanigans." Contradicting complaints by the ALP, Watt noted that Spencer had in fact invited foreign observers, including from the OAS, but he said there could be no formal response from observers until an election date was set.

ALP Promises Closer Ties After Win

¶12. (C) According to ALP Chairman Gaston Browne, the UPP has taken a giant step towards countries like Cuba, Venezuela and China unfriendly to the United States. He noted that Antigua no longer votes with the United States on human rights issues in the UN and has even taken to siding with Iran on issues where we are natural partners with the U.S. Browne claimed that the most disturbing trend was the growing level of military cooperation with China and Venezuela, adding that only last summer a Chinese General and several other officers from the People,s Liberation Army (PLA) came to provide military training for the Antigua and Barbuda Defense Force. According to Browne, this represented a marked difference from the ALP, which He claimed had always supported military training and cooperation with the U.S. military. "What does a one-party state military like the PLA have to teach the military forces in a democracy like Antigua," he added. The ALP, Browne promised, would change this wrong course that the UPP has chosen.

Comment

¶13. (C) While the outcome of this election is far from clear, the consensus among non-partisans is that the UPP will be given another term to show they can run the country. Widespread allegations of past corruption continue to drag down the popularity of the opposition ALP and will likely prove the core issue that returns the UPP to power. That said, if the economy continues to collapse and unemployment rises sharply, the ALP could return to power.

¶14. (C) Incendiary allegations by the ALP concerning the cozy relationship that Spencer has with Chavez and growing closeness with the Chinese are not new. In the Antiguan political landscape, the ALP under the Birds had always steered close to the United States on international issues, while Spencer in opposition had generally leaned leftward, particularly in supporting Cuba. The ALP certainly hopes that its promises of closer ties and greater cooperation on substantive issues can help position the party as more likely to build close ties with the new U.S. administration (President Obama is wildly popular in Antigua). Also in the background has been a rumor - no doubt planted by the ALP -- that the U.S. is supporting the ALP due to the UPP's growing relationship with Venezuela. This rumor is pervasive enough that Minister Cort asked PolOff directly if the U.S. was providing material support for the ALP. PolOff explained that the U.S. is not interested in the specific outcome of the elections, only that the elections are free and fair, reflecting the will of the Antiguan people.

HARDT